

MAR 14 1996

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

## International Channel

Kent A. Rice  
President and Chief Operating Officer

March 13, 1996

Mr. William F. Caton, Secretary  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

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Dear Mr. Caton:

This is to provide notice, pursuant to Section 1.1206(a)(1) of the Commission's Rules, that copies of the enclosed letter were forwarded today to Chairman Reed Hundt and to each of the other individuals identified as receiving copies. Each of the foregoing also received a copy of this letter. Two copies of the letter are enclosed for inclusion in the above-referenced docket.

If you have any questions regarding this letter, please contact me.

Very truly yours,

*Kent A. Rice*Kent A. Rice  
President & COONo. of Copies  
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**EX PARTE PRESENTATION**

Chairman Reed E. Hundt  
Federal Communications Commission  
1919 M Street, N.W., Room 814  
Washington, D.C. 20554

Dear Chairman Hundt:

I am writing to you regarding the proposed changes to the existing leased access rules under which cable systems currently operate. I believe I have the rather unique position of having been both a cable operator at the system level and a cable programmer at the corporate staff level. I must tell you that the rules as they exist today create havoc with consumers and allow entrepreneurs to circumvent the original intent of the rules. I truly believe that expanding and revising the regulations can only exacerbate these problems.

First, let me talk very briefly about the channel I represent. Our current channel offers round--the--clock foreign language programming in twenty-four different languages in each community where we are carried, and we have 7.2 million households receiving our service. We provide a unique service by delivering news and entertainment in foreign languages to people who often cannot get this programming from anywhere else. Nonetheless, it is easy to imagine a scenario where a leased access provider would be able to stimulate the drop of our channel under new or revised rules. The drop could be justified on the grounds that our channel appeals to fragmented or even non-vocal, non-organized groups within the community.

Such an appeal could even be made by ethnic groups saying that they represent the local interest of the Russian, Persian or Chinese communities. In fact, this has happened in several cases already and we learned very quickly that the local entrepreneurs do not have access to national news from the home country, significant cultural or sporting events and, in fact, may even end up airing pirated

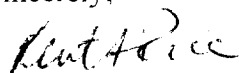
Chairman Reed E. Hunt  
March 13, 1996  
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videos broken up by a multitude of commercials. There have been instances where such enterprises begin and fail within a matter of six months. In such a case, the community's interest is not served, the cable company receives the grief from consumers and the program provider loses out altogether.

Having worked as a cable operator for almost ten years, I truly cannot recall a single leased access arrangement that was both long-lived and successful. Conversely, I can recall many relationships which were problem-plagued from the outset and caused losses for all concerned. I recognize the need for leased access provisions as mandated by Congress in the statute. But, revising the pricing mechanism to provide access at virtually no cost will dramatically expand the current problem and even encourage entry by more undercapitalized entrepreneurs.

I do not believe you will find much evidence from local communities or cable T.V. viewers for increasing leased access carriage. I imagine the opposite is the case and that broadening the availability of these services or the number of channels carrying these services will only result in frustrating both consumers and cable T.V. operators. Speaking as a provider of programs which deliver a very specific and concrete service to narrow groups within the community, I feel particularly vulnerable to the whims of local entrepreneurs who could gain access to viewers in their community but would often be unable to provide value or long-term service. I believe altering the rules in any way that would broaden access to channel capacity will have the opposite result of that intended by both the Congress and the Commission.

Sincerely,



Kent A. Rice  
President & COO

cc: Commissioner James H. Quello  
Commissioner Andrew C. Barrett  
Commissioner Rachelle B. Chong  
Commissioner Susan Ness  
Jackie Chorney, Legal Assistant to Chairman Hundt  
Maureen O'Connell, Legal Advisor to Commissioner Quello  
Lisa B. Smith, Legal Advisor to Commissioner Barrett  
Suzanne K. Toller, Legal Advisor to Commissioner Chong  
Mary P. McManus, Legal Advisor to Commissioner Ness  
William F. Caton, Secretary (2 copies)